

MICHIGAN AERONAUTICS COMMISSION

Director's Report

November 12, 2015

Mike Trout, A.A.E.

ROAD FUNDING

The Governor signed into law legislation that will raise \$1.2 billion for transportation through registration fee increases, motor fuel tax increases, and budgetary shifts in general funds. Full funding will not be realized until after 2021.

- Appropriate income tax revenue for state trunklines, counties and cities.

FY2019 - \$150M; FY2020 - \$325M; FY2021 - \$600M

Increase Homestead Property Tax Credit w/CPI in 2022

- Apply 6% use tax to natural gas bought in other states and used by trucks in Michigan. Effective 1/1/17.
- Increase vehicle registration by 20% beginning 1/1/17.
- Raise gasoline and diesel tax to 26.3¢ per gallon beginning 1/1/17.
- Require pavement warranties. Create task force to study methods that can produce roads to last at least 50 years; new Roads Innovation Fund, and Grade Crossing Surface Fund and Program to be used by local road agencies only. Effective 4/1/16.

FAA'S POLICY CLARIFICATION ON REVENUE USE

- Primary Objective
 - Meets Federal Requirements
- Secondary Objectives
 - Fair to All Users
 - Support System of Airports
 - Address Aero Revenue Needs
- Action Plan Due December 8, 2015

LEGISLATIVE UPDATE

- *Proposed package of Bills amending Aero Code & Sales and Use Tax Acts*
- *Redirect GF – Amount “Equal To” 2% Sales/Use Tax*
 - *\$10-12 Million*
- *Create the Qualified Airport Fund - 65%*
- *Aero Fund - 35%*
- *Maintains 3¢ excise tax with 1.5¢ rebate*

FY 2016 AIRPORT CAPITAL PROGRAM

	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Federal Funding</u>			
Airport and Airway Trust Fund	\$78.58M	\$78.58M	\$79.00M
• Passenger Ticket Taxes			
• Cargo Taxes			
• Fuel Excise Tax			
 <u>State Funding</u>	 \$ 2.34M	 \$ 1.01M	 \$ 5.05M
State Aeronautics Fund			
• Fuel Excise Tax			
• Aircraft Registration			
• Licensing & Permits			
• Parking Tax			
 <u>Local Funding</u>	 \$12.39M	 \$12.39M	 \$12.50M
 TOTAL	 \$93.31M	 \$91.98M	 \$96.55M

OTHER LEGISLATION

SB 326 – Designates the B-24 Liberator as the official state airplane. *Passed by the Senate 10/21/15; moved to the House Transp. Committee.*

HB 4727 – Amends the Tall Structure Act to require meteorological evaluation towers (METs) be marked in accordance with fed. standards. *Passed by the House 10/28/15; moved to the Senate Transp. Committee.*

HB 5026 – Authorizes/regulates the use of unmanned aerial vehicles; provides power and duties of certain state agencies, depts. and local units of gov.; prohibits disclosure of information collected; provides penalties and sanctions. *Introduced 10/27/15; referred to Committee on Government Operations.*

HB 4032 – Regulates transportation network companies (i.e., Uber). Impact airports' ability to control access and manage ground transportation on property. *Introduced 1/15/15; referred to Committee on Communications and Technology.*

HB 4857/4875 & SB 563 – Bans sale or release of Sky Lanterns. *Referred to the House and Senate Regulatory Reform Committees*

NOTABLE STATS

Annual Aviation Fuel Tax (Treasury's Estimate)	2014 = \$5,056,196 2015 = \$5,200,000
Fuel Tax Revenue YTD (Thru Sept. – 15.5% increase)	2014 = \$5,056,196 2015 = \$5,985,161
Tall Structure Permits (Towers/Wind Turbines to date)	2014 = 1,380/296 2015 = 2,234/384
State Aircraft Flight Hours (Thru Sept. – 2.97% decrease)	2014 = 1,158.3 2015 = 1,124.8

INNOVATIONS & EFFICIENCIES

Completed Projects

- **Airport Directory Mobile Application**
 - Costs savings is estimated at \$25,000 annually.
- **Aircraft Registration Online Payment**
 - Cost savings of \$4,000 annually realized from increased efficiency/mailling cost savings.

Ongoing Projects

- **e-Invoicing**
 - Goal to reduce payment processing time by 20 percent.
- **Online Aircraft Scheduling and Log Books**
 - Reduce office staff time needed to open and close out flight logs by 50 percent.

Future Project

- **e-Contracting**

AIR TRANSPORTATION EXPO

CO-HOSTED BY OAKLAND COUNTY & MBAA

PHOTOS COURTESY OF OAKLAND COUNTY, MICHIGAN



Courtesy of MICHIGAN HELICOPTERS

GAYLORD REGIONAL AIRPORT

AIRSHOW AND MONTHLY VETERANS COFFEE

PHOTOS COURTESY OF MATT BARRESI



THANK YOU

QUESTIONS?

“Aviation is proof that, given the will, we have
the capacity to achieve the impossible.”

Eddie Rickenbacker

